

Message Text

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ORIGIN STR-07

INFO OCT-01 IO-13 ISO-00 COME-00 LAB-04 TRSE-00 EB-08
AGRE-00 CEA-01 CIAE-00 DODE-00 FRB-03 H-01 INR-10
INT-05 L-03 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 ITC-01 ICA-11 SP-02 SOE-02 OMB-01 DOE-15
STRE-00 EUR-12 EA-10 /136 R

DRAFTED BY STR:RHEIMLICH:TI
APPROVED BY STR:RHEIMLICH
COMMERCE:BKRIST
LABOR:BTURNER
TREASURY:JRAY
STATE:SAHMAD

-----028157 010127Z /64

P 312305Z JUL 78
FM SECSTATE WASHDC
TO USMISSION GENEVA PRIORITY

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MTN DEL

E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJECT: U.S. TARIFF OFFER ON MOTOR VEHICLES AND PARTS

1. U.S. TARIFF OFFER OF DUTY ELIMINATION ON MOST MOTOR VEHICLE AND PARTS ITEMS IS CONSIDERABLY MORE FORTHCOMING THAN THE CURRENT EC OFFER, PARTICULARLY IF CARS AND TRUCKS ARE EXCEPTED BY THE EC. WERE THESE OFFERS TO BE MAINTAINED AS IS, THE EC WILL HAVE MAINTAINED ITS CURRENT HIGH LEVEL OF PROTECTION, WHICH IS ESPECIALLY SIGNIFICANT ON CARS AND TRUCKS, WHILE THE U.S. WILL HAVE DONE AWAY WITH ITS PRESENT LIMITED OFFICIAL USE

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VERY MODEST PROTECTION. GIVEN THE GROWING SENSITIVITY DOMESTICALLY ABOUT U.S. AUTO IMPORTS, THIS OUTCOME IS LIKELY TO GENERATE VERY SERIOUS CONCERN IN THE CONGRESS. IT WOULD ALSO DISCOURAGE U.S. AUTO PRODUCERS FROM EXPORTING TO THE EC MARKET (THE LARGEST MARKET OUTSIDE THE U.S.) AS THEY DOWNSIZE THEIR CARS.

2. BECAUSE OF THESE CONCERNS, STR HAS GONE ON RECORD PUBLICALLY AS INDICATING THAT THE USG WOULD ONLY MAINTAIN ITS DUTY ELIMINATION OFFERS IF THE EC AND JAPAN MATCH THEM. GIVEN THIS COMMITMENT AND THE CURRENT EC POSITION AS WE UNDERSTAND IT, WITHDRAWALS WILL HAVE TO BE MADE. WASHINGTON AGENCIES WOULD APPRECIATE MTN DEL'S RECOMMENDATIONS REGARDING THE TIMING AND EXTENT OF SUCH WITHDRAWALS TO

ASSURE THAT WE WILL NOT PRODUCE A RESULT THAT WOULD BE STRONGLY OPPOSED BY THE DOMESTIC INDUSTRY AND UNION. VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
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Current Classification: UNCLASSIFIED
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Copy: SINGLE
Draft Date: 31 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Reason:
Disposition Remarks:
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TAGS: ETRD, MTN
To: GENEVA
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